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8
9 **UNITED STATES DISTRICT COURT**
10 **CENTRAL DISTRICT OF CALIFORNIA**
11

12 TAD PARK, Individually and on
Behalf of All Others Similarly Situated,

13 Plaintiff,

14 v.

15 SONDER HOLDINGS INC.,
16 FRANCIS DAVIDSON, SANJAY
BANKER, CHRIS BERRY and
17 DOMINIQUE BOURGAULT,

18 Defendants.

Case No.

**CLASS ACTION COMPLAINT
FOR VIOLATIONS OF THE
FEDERAL SECURITIES LAWS**

DEMAND FOR JURY TRIAL

1 Plaintiff Tad Park (“Plaintiff”), individually and on behalf of all others
2 similarly situated, by and through his attorneys, alleges the following upon
3 information and belief, except as to those allegations concerning Plaintiff, which are
4 alleged upon personal knowledge. Plaintiff’s information and belief is based upon,
5 among other things, his counsel’s investigation, which includes without limitation:
6 (a) review and analysis of regulatory filings made by Sonder Holdings Inc.
7 (“Sonder” or the “Company”) with the United States (“U.S.”) Securities and
8 Exchange Commission (“SEC”); (b) review and analysis of press releases and media
9 reports issued by and disseminated by Sonder; and (c) review of other publicly
10 available information concerning Sonder.

11 **NATURE OF THE ACTION AND OVERVIEW**

12 1. This is a class action on behalf of persons and entities that purchased or
13 otherwise acquired Sonder securities between May 11, 2022 and March 15, 2024,
14 inclusive (the “Class Period”). Plaintiff pursues claims against the Defendants under
15 the Securities Exchange Act of 1934 (the “Exchange Act”).

16 2. Sonder is a hospitality services business which operates and manages
17 properties comprised of apartments and hotel rooms in North America, Europe, and
18 the Middle East. The Company leases properties and makes them available to book
19 either directly, through the Sonder app, website, and sales personnel, or through
20 indirect channels, such as Airbnb, Expedia, and Booking.com. As of September 30,
21 2023, the Company purported to lease all of its property and have approximately
22 11,800 units available for guests to book at over 250 properties.

23 3. On March 15, 2024, after the market closed, the Company disclosed it
24 had identified an “accounting error” related to the Company’s valuation of certain
25 assets and related items, and as a result the Company’s financial statements for the
26 year ended December 31, 2022 and throughout fiscal year 2023 could no longer be
27 relied upon. The Company stated the valuation of certain right-of-use (“ROU”) lease
28 assets and related items had not considered relevant impairment indications and

1 related valuation information required by Accounting Standards Codification
2 (“ASC”) No. 842, and related standards. The Company further explained that,
3 though it had recorded one impairment charge once in the third quarter of 2023, no
4 impairment charges were recorded in the other interim financial statements in 2023
5 or in the 2022 financial statements. The Company disclosed, as a result, it would
6 have to restate certain finances and such restatements would increase the
7 Company’s overall net loss and loss per share in the impacted periods. The
8 Company additionally disclosed that the Company anticipated a review would
9 reveal one or more additional material weaknesses in the Company’s internal
10 control over financial reporting, in addition to the Company’s previously identified
11 and reported material weaknesses. The Company further disclosed that, as a result, it
12 would not timely file its Annual Report for the year ended December 31, 2023.
13 Finally, the Company disclosed the restatement and related items could have an
14 adverse effect upon the Company’s debt, as the Company would now have to seek
15 waivers of noncompliance under the terms of its debt resulting from the accounting
16 errors.

17 4. On this news, Sonder’s stock price fell \$2.10 per share, or 38.2%, to
18 close at \$3.40 per share on March 18, 2024, on unusually heavy trading volume.

19 5. Throughout the Class Period, Defendants made materially false and/or
20 misleading statements, as well as failed to disclose material adverse facts about the
21 Company’s business, operations, and prospects. Specifically, Defendants made
22 materially false and/or misleading statements or failed to disclose to investors: (1)
23 Sonder was not recognizing ROU assets and lease liabilities on its balance sheet in
24 accordance with ASC 842; (2) Sonder’s financial statements contained material
25 errors in the valuation and impairment of operating lease ROU assets; (3) Sonder
26 had undisclosed internal control failures; (4) as a result of the foregoing, Sonder was
27 not in compliance with all financial covenants; (5) that, as a result of the foregoing,
28

1 Defendants' positive statements about the Company's business, operations, and
2 prospects were materially misleading and/or lacked a reasonable basis.

3 6. As a result of Defendants' wrongful acts and omissions, and the
4 precipitous decline in the market value of the Company's securities, Plaintiff and
5 other Class members have suffered significant losses and damages.

6 **JURISDICTION AND VENUE**

7 7. The claims asserted herein arise under Sections 10(b) and 20(a) of the
8 Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated
9 thereunder by the SEC (17 C.F.R. § 240.10b-5).

10 8. This Court has jurisdiction over the subject matter of this action
11 pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. §
12 78aa).

13 9. Venue is proper in this Judicial District pursuant to 28 U.S.C. §
14 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts
15 in furtherance of the alleged fraud or the effects of the fraud have occurred in this
16 Judicial District. Many of the acts charged herein, including the dissemination of
17 materially false and/or misleading information, occurred in substantial part in this
18 Judicial District. Further, the Company's principal executive offices are located in
19 this District.

20 10. In connection with the acts, transactions, and conduct alleged herein,
21 Defendants directly and indirectly used the means and instrumentalities of interstate
22 commerce, including the United States mail, interstate telephone communications,
23 and the facilities of a national securities exchange.

24 **PARTIES**

25 11. Plaintiff Tad Park, as set forth in the accompanying certification,
26 incorporated by reference herein, purchased Sonder securities during the Class
27 Period, and suffered damages as a result of the federal securities law violations and
28 false and/or misleading statements and/or material omissions alleged herein.

1 12. Defendant Sonder is incorporated under the laws of Delaware with its
2 principal executive offices located in San Francisco, California. Sonder's securities
3 trade on the NASDAQ exchange under the symbol "SOND."

4 13. Defendant Francis Davidson ("Davidson") has served as the
5 Company's Co-Founder and Chief Executive Officer ("CEO") at all relevant times.

6 14. Defendant Sanjay Banker ("Banker") served as the Company's Chief
7 Financial Officer ("CFO") from 2019 until December 31, 2022.

8 15. Defendant Chris Berry ("Berry") served as the Company's Interim
9 Principal Financial Officer from January 23, 2023 until March 17, 2023. Berry has
10 also served as the Company's Chief Accounting Officer from August 1, 2022 until
11 August 18, 2023.

12 16. Defendant Dominique Bourgault ("Bourgault") has served as the
13 Company's CFO since March 6, 2023, and was appointed the Principal Financial
14 Officer on March 17, 2023.

15 17. Defendants Davidson, Banker, Berry, and Bourgault (collectively the
16 "Individual Defendants"), because of their positions with the Company, possessed
17 the power and authority to control the contents of the Company's reports to the
18 SEC, press releases and presentations to securities analysts, money and portfolio
19 managers and institutional investors, i.e., the market. The Individual Defendants
20 were provided with copies of the Company's reports and press releases alleged
21 herein to be misleading prior to, or shortly after, their issuance and had the ability
22 and opportunity to prevent their issuance or cause them to be corrected. Because of
23 their positions and access to material non-public information available to them, the
24 Individual Defendants knew that the adverse facts specified herein had not been
25 disclosed to, and were being concealed from, the public, and that the positive
26 representations which were being made were then materially false and/or
27 misleading. The Individual Defendants are liable for the false statements pleaded
28 herein.

SUBSTANTIVE ALLEGATIONS

Background

18. Sonder is a hospitality services business which operates and manages properties comprised of apartments and hotel rooms in North America, Europe, and the Middle East. The Company leases properties and makes them available to book either directly, through the Sonder app, website, and sales personnel, or through indirect channels, such as Airbnb, Expedia, and Booking.com. As of September 30, 2023, the Company purported to lease all of its property and have approximately 11,800 units available for guests to book at over 250 properties.

Materially False and Misleading

Statements Issued During the Class Period

19. The Class Period begins on May 11, 2022. On that day, Sonder issued a Shareholder Letter announcing its financial results for the quarter ended March 31, 2022, which alleged that the Company's held \$1,629,358 in total assets, \$1,133,809 in operating lease right-of-use-assets, \$143,014 in current operating lease liabilities, and \$1,070,896 in non-current operating lease liabilities, and stated the following, in relevant part:¹

Effective January 1, 2022, Sonder adopted new leasing accounting standard ASC 842 / IFRS 16, which recognizes right-of-use assets and lease liabilities on our balance sheet for all operating leases, increasing both assets and liabilities.

20. On May 16, 2022, Sonder filed its quarterly report on Form 10-Q for the period ended March 31, 2022 (the "1Q22 10-Q"). The 1Q22 10-Q affirmed the Company's previously reported financial results. The 1Q22 10-Q alleged that "[a]s of March 31, 2022, Sonder was in compliance with all financial covenants[.]"

21. The 1Q22 10-Q alleged, in relevant part, the following concerning the Company's right-of-use lease assets and the calculation thereof:

¹ Unless otherwise stated, all emphasis in bold and italics hereinafter is added, and all footnotes are omitted.

Sonder adopted ASC 842 as of January 1, 2022 using the modified retrospective approach.

* * *

Operating lease right-of-use (ROU) assets are included within operating lease right-of-use assets in the condensed consolidated balance sheet. The corresponding operating lease liabilities are included within current operating lease liabilities and non-current operating lease liabilities on Sonder's condensed consolidated balance sheet as of March 31, 2022. ROU assets represent Sonder's right to use an underlying asset for the lease term and lease liabilities represent Sonder's obligation to make lease payments arising from the lease.

* * *

	March 31, 2022	December 31, 2021
Assets		
Current assets		
Cash	\$ 406,348	\$ 69,726
Restricted cash	683	215
Accounts receivable, net of allowance of \$3,291 and \$4,127 at March 31, 2022 and December 31, 2021 respectively	1,336	4,638
Prepaid rent	3,380	2,957
Prepaid expenses	14,435	5,029
Other current assets	18,518	16,416
Total current assets	444,700	98,981
Property and equipment, net	35,243	27,461
Operating lease right-of-use assets	1,133,809	—
Other non-current assets	15,606	22,037
Total assets	\$ 1,629,358	\$ 148,479

22. The 1Q22 10-Q asserted that the Company was “*developing formal policies and procedures over its lease administration process, implementing a lease administration and accounting system, and providing additional training to personnel responsible for the relevant controls*” in order to assist its internal controls over financial reporting.

23. On August 10, 2022 Sonder issued a Shareholder Letter announcing its financial results for the quarter ended June 30, 2022, which reported that the Company held \$1,559,414 in total assets, \$1,109,208 in operating lease right-of-use-assets, \$152,064 in current operating lease liabilities, and \$1,050,285 in non-current operating lease liabilities, as reported under leasing accounting standard ASC 842, “which recognizes right-of-use assets and lease liabilities on our balance sheet for all operating leases, increasing both assets and liabilities.”

24. On August 12, 2022, Sonder filed its quarterly report on Form 10-Q for the period ended June 30, 2022 (the “2Q22 10-Q”). The 2Q22 10-Q affirmed the

1 previously reported financial results. The 2Q22 10-Q alleged that “[a]s of June 30,
2 2022, Sonder was in compliance with all financial covenants.”

3 25. The 2Q22 10-Q alleged, in relevant part, that “Sonder implemented
4 ASC 842 as of January 1, 2022” and “Sonder applied Topic 842 to all leases as of
5 January 1, 2022.” The 2Q22 10-Q reported the Company’s alleged ROU assets, as

	June 30, 2022	December 31, 2021
Assets		
Current assets		
Cash	\$ 359,500	\$ 69,726
Restricted cash	1,244	215
Accounts receivable, net of allowance of \$255 and \$4,127 at June 30, 2022 and December 31, 2021 respectively	7,307	4,638
Prepaid rent	2,316	2,957
Prepaid expenses	9,854	5,029
Other current assets	18,996	16,416
Total current assets	399,217	98,981
Property and equipment, net	35,605	27,461
Operating lease right-of-use assets	1,109,208	—
Other non-current assets	15,384	22,037
Total assets	\$ 1,559,414	\$ 148,479

13 follows in relevant part:

15 26. The 2Q22 10-Q further asserted that the Company had “engaged a third
16 party consultant and have *developed formal policies and procedures over our lease*
17 *administration process, implemented a lease administration and accounting*
18 *system, and provided additional training to personnel responsible for the relevant*
19 *controls*” in order to assist its internal controls over financial reporting.

20 27. On November 9, 2022, Sonder issued a Shareholder Letter announcing
21 its financial results for the quarter ended September 30, 2022, which stated that the
22 Company held \$1,532,532 in total assets and \$1,139,713 in operating lease right-of-
23 use-assets, \$146,550 in current operating lease liabilities, and \$1,082,412 in non-
24 current operating lease liabilities, as reported under leasing accounting standard
25 ASC 842, “which recognizes right-of-use assets and lease liabilities on our balance
26 sheet for all operating leases, increasing both assets and liabilities.”

27 28. On November 10, 2022, Sonder filed its quarterly report on Form 10-
28 Q for the period ended September 30, 2022 (the “3Q22 10-Q”). The 3Q22 10-Q

1 affirmed the previously reported financial results. The 3Q22 10-Q alleged that “[a]t
2 September 30, 2022 and December 31, 2021, the Company was in compliance with
3 all financial covenants.”

4 29. The 3Q22 10-Q alleged, in relevant part, that “[t]he Company adopted
5 ASC 842, *Leases* (“ASC 842”), effective January 1, 2022,” and “Operating lease
6 ROU assets are included within operating lease right-of-use assets in the condensed
7 consolidated balance sheets.” The 3Q22 10-Q reported the Company’s alleged

	September 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash	\$ 317,324	\$ 69,726
Restricted cash	1,131	215
Accounts receivable, net of allowance of \$1,194 and \$4,127 at September 30, 2022 and December 31, 2021, respectively	5,658	4,638
Prepaid rent	—	2,957
Prepaid expenses	7,530	5,029
Other current assets	10,435	16,416
Total current assets	342,078	98,981
Property and equipment, net	35,469	27,461
Operating lease right-of-use (“ROU”) assets	1,139,713	—
Other non-current assets	15,272	22,037
Total assets	\$ 1,532,532	\$ 148,479

15 ROU assets as follows, in relevant part:

16 30. The 3Q22 10-Q further asserted that the Company had “engaged a third
17 party consultant and *have developed formal policies and procedures over our lease*
18 *administration process, implemented a lease administration and accounting*
19 *system, and provided additional training to personnel responsible for the relevant*
20 *controls*” in order to assist its internal controls over financial reporting, and that
21 “[a]nalysis and testing of the controls will be performed throughout the remainder of
22 2022.”

23 31. On March 1, 2023 Sonder issued a Shareholder Letter announcing its
24 financial results for the quarter and year ended December 31, 2022, which stated
25 that the Company held \$1,553,671 in total assets, \$1,189,545 in operating lease
26 right-of-use-assets, \$158,580 in current operating lease liabilities, and \$1,143,538 in
27 non-current operating lease liabilities, as reported under leasing accounting standard
28

ASC 842, “which recognizes right-of-use assets and lease liabilities on our balance sheet for all operating leases, increasing both assets and liabilities.”

32. On March 16, 2023, Sonder filed its annual report on Form 10-K for the fiscal year ended December 31, 2022 (the “FY22 10-K”). The FY22 10-K affirmed the Company’s previously reported financial results and stated “[a]t December 31, 2022, the Company was in compliance with all financial covenants related to the 2022 Loan and Security Agreement.”

33. The FY22 10-K alleged that “[t]he Company adopted ASC 842, *Leases* (“ASC 842”), effective January 1, 2022, using the modified retrospective approach.” The FY22 10-K alleged the following, in relevant part, as related to the Company’s ROU reporting:

Operating lease ROU assets are included within operating lease right-of-use assets in the consolidated balance sheets. The corresponding operating lease liabilities are included within current operating lease liabilities and non-current operating lease liabilities in the consolidated balance sheets.

34. The FY22 10-K reported the Company’s ROU assets, as follows, in

	2022	2021
Assets		
Current assets:		
Cash	\$ 246,624	\$ 69,726
Restricted cash	42,562	215
Accounts receivable, net of allowance of \$972 and \$4,127 at December 31, 2022 and 2021, respectively	5,613	4,638
Prepaid rent	—	2,957
Prepaid expenses	8,066	5,029
Other current assets	10,065	16,416
Total current assets	312,930	98,981
Property and equipment, net	34,926	27,461
Operating lease right-of-use (“ROU”) assets	1,209,486	—
Other non-current assets	16,270	22,037
Total assets	\$ 1,573,612	\$ 148,479

relevant part:

35. The FY22 10-K reported the Company's components of operating lease expenses and supplemental information related to ROU assets, as follows:

Components of operating lease expense were as follows (in thousands):

	Year ended December 31, 2022
Operating lease cost	\$ 268,810
Short-term lease cost	3,203
Variable lease cost	(2,582)
Total operating lease cost	<u>\$ 269,431</u>

Supplemental information related to operating leases was as follows (in thousands):

	Year ended December 31, 2022
Cash payments for operating leases	\$ 218,434
New operating lease ROU assets obtained in exchange for operating lease liabilities	\$ 356,157

36. The FY22 10-K further asserted the following concerning the Company's internal controls over financial reporting, in relevant part:

Management, including our Principal Executive Officer and Principal Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. ***Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of our financial statements for external purposes in accordance with U.S. GAAP.***

* * *

Management, including our Principal Executive Officer and Principal Financial Officer, believes the consolidated financial statements included in this Annual Report on Form 10-K ***fairly represent in all material respects our financial condition, results of operations, and cash flows at and for the periods presented in accordance with U.S. GAAP.***

37. On March 22, 2023, Sonder filed an amendment to its annual report on Form 10-K/A for the period ended December 31, 2022 (the "FY22 10-K/A"). The FY22 10-K/A affirmed the previously reported financial results and was submitted

only for the purpose of amending Part III, Items 10, 11, 12, 13 and 14 of the Original Filing to include the information required by such Items.

38. On May 10, 2023, Sonder issued a Shareholder Letter announcing its financial results for the quarter ended March 31, 2023, which reported that the Company held \$1,521,460 in total assets and \$1,201,007 in operating lease right-of-use-assets, \$172,422 in current operating lease liabilities, and \$1,156,913 in non-current operating lease liabilities, reported under leasing accounting standard ASC 842, “which recognizes right-of-use assets and lease liabilities on our balance sheet for all operating leases, increasing both assets and liabilities.”

39. On May 10, 2023, Sonder filed its quarterly report on Form 10-Q for the period ended March 31, 2023 (the “1Q23 10-Q”). The 1Q23 10-Q affirmed the previously reported financial results. The 1Q23 10-Q alleged that “the Company is in compliance with all financial covenants related to the 2022 Loan and Security Agreement, as amended, as of the date the condensed consolidated financial statements were issued.”

40. The 1Q23 10-Q also alleged, in relevant part, the following regarding the Company’s ROU asset reporting:

Operating lease ROU assets are included within operating lease right-of-use assets in the consolidated balance sheets. The corresponding operating lease liabilities are included within current operating lease liabilities and non-current operating lease liabilities in the consolidated balance sheets. ROU assets represent the Company’s right to use an underlying asset for the lease term and lease liabilities represent the Company’s obligation to make lease payments arising from the lease.

41. 1Q23 10-Q reported the following concerning the Company’s alleged

	March 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 217,968	\$ 246,624
Restricted cash	28,436	42,562
Accounts receivable, net of allowance of \$1,346 and \$972 at March 31, 2023 and December 31, 2022, respectively	6,990	5,613
Prepaid expenses	5,128	8,066
Other current assets	12,708	10,065
Total current assets	271,230	312,930
Property and equipment, net	35,432	34,926
Operating lease right-of-use (“ROU”) assets	1,201,007	1,209,486
Other non-current assets	13,791	16,270
Total assets	\$ 1,521,460	\$ 1,573,612

1 ROU assets:

2
3 42. The 1Q23 10-Q further asserted that the Company had purportedly
4 “identified improvements related to our lease process to capture and record lease
5 agreements timely and accurately” and that the Company “will provide additional
6 training to personnel responsible for the relevant controls” in order to assist its
7 internal controls over financial reporting.

8 43. On August 9, 2023, Sonder issued a Shareholder Letter announcing its
9 financial results for the quarter ended June 30, 2023, which reported that the
10 Company held \$1,607,859 in total assets and \$1,308,719 in operating lease right-of-
11 use-assets, \$183,487 in current operating lease liabilities, and \$1,259,207 in non-
12 current operating lease liabilities, reported under leasing accounting standard ASC
13 842, “which recognizes right-of-use assets and lease liabilities on our balance sheet
14 for all operating leases, increasing both assets and liabilities.”

15 44. On August 9, 2023, Sonder filed its quarterly report on Form 10-Q for
16 the period ended August 9, 2023 (the “2Q23 10-Q”). The 2Q23 10-Q affirmed the
17 previously reported financial results. The 2Q23 10-Q alleged that “the Company is
18 in compliance with all financial covenants related to the 2022 Loan and Security
19 Agreement, as amended, as of the date the condensed consolidated financial
20 statements were issued.”

21 45. The 2Q23 10-Q alleged, in relevant part, the following concerning the
22 Company’s reporting of ROU assets:

23 ***Operating lease ROU assets are included within operating lease***
24 ***right-of-use assets in the condensed consolidated balance sheets.*** The
25 corresponding operating lease liabilities are included within current
26 operating lease liabilities and non-current operating lease liabilities in
27 the condensed consolidated balance sheets. ROU assets represent the
28 Company’s right to use an underlying asset for the lease term and lease
liabilities represent the Company’s obligation to make lease payments
arising from the lease.

46. The 2Q23 10-Q reported the following concerning the Company's alleged ROU assets:

	June 30, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 177,444	\$ 246,624
Restricted cash	42,069	42,562
Accounts receivable, net of allowance of \$1,461 and \$972 at June 30, 2023 and December 31, 2022, respectively	14,042	5,613
Prepaid expenses	8,786	8,066
Other current assets	11,516	10,065
Total current assets	253,857	312,930
Property and equipment, net	31,616	34,926
Operating lease right-of-use ("ROU") assets	1,308,719	1,209,486
Other non-current assets	13,667	16,270
Total assets	<u>\$ 1,607,859</u>	<u>\$ 1,573,612</u>

47. The 2Q23 10-Q further asserted that the Company had "identified improvements related to our lease process to capture and record lease agreements timely and accurately" and that the Company "will provide additional training to personnel responsible for the relevant controls" in order to assist its internal controls over financial reporting.

48. On November 14, 2023, Sonder issued a Shareholder Letter announcing its financial results for the quarter ended September 30, 2023, which reported that the Company held \$1,716,337 in total assets, \$1,439,572 in operating lease right-of-use-assets, \$199,345 in current operating lease liabilities, and \$1,382,693 in non-current operating lease liabilities, reported under leasing accounting standard ASC 842, "which recognizes right-of-use assets and lease liabilities on our balance sheet for all operating leases, increasing both assets and liabilities."

49. On November 14, 2023, Sonder filed its quarterly report on Form 10-Q for the period ended September 30, 2023 (the "3Q23 10-Q"). The 3Q23 10-Q affirmed the previously reported financial results. The 3Q23 10-Q alleged that "[t]he Company is in compliance with all financial covenants related to the 2022 Loan and Security Agreement[.]"

50. The 3Q23 10-Q alleged, in relevant part, the following concerning the Company's ROU reporting:

Operating lease ROU assets are included within operating lease right-of-use assets in the condensed consolidated balance sheets. The corresponding operating lease liabilities are included within current operating lease liabilities and non-current operating lease liabilities in the condensed consolidated balance sheets. ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease.

51. The 3Q23 10-Q reported, in relevant part, the following alleged ROU assets:

	September 30, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 166,045	\$ 246,624
Restricted cash	41,188	42,562
Accounts receivable, net of allowance of \$3,265 and \$972 at September 30, 2023 and December 31, 2022, respectively	9,105	5,613
Prepaid expenses	6,388	8,066
Other current assets	10,532	10,065
Total current assets	233,258	312,930
Property and equipment, net	28,462	34,926
Operating lease right-of-use ("ROU") assets	1,439,572	1,209,486
Other non-current assets	15,045	16,270
Total assets	\$1,716,337	\$1,573,612

52. The 3Q23 10-Q further asserted that the Company had "identified improvements related to our lease process to capture and record lease agreements timely and accurately that we began to implement in 2023" in order to assist its internal controls over financial reporting.

53. The above statements identified in ¶¶ 19-52 were materially false and/or misleading, and failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants made materially false and/or misleading statements or failed to disclose to investors: (1) Sonder was not recognizing ROU assets and lease liabilities on its balance sheet in accordance with ASC 842; (2) Sonder's financial statements contained material errors in the valuation and impairment of operating lease ROU assets; (3) Sonder had undisclosed internal control failures; (4) as a result of the foregoing, Sonder was not

1 in compliance with all financial covenants; (5) that, as a result of the foregoing,
2 Defendants' positive statements about the Company's business, operations, and
3 prospects were materially misleading and/or lacked a reasonable basis.

4 **Disclosures at the End of the Class Period**

5 54. On March 15, 2024, after the market closed, the Company disclosed it
6 had identified an "accounting error" related to the Company's valuation of certain
7 assets and related items, and as a result the Company's financial statements for the
8 year ended December 31, 2022 and throughout fiscal year 2023 could no longer be
9 relied upon. The Company stated the valuation of certain ROU lease assets and
10 related items had not considered relevant impairment indications and related
11 valuation information required by ASC No. 842, and related standards. The
12 Company further explained that, though it had recorded one impairment charge once
13 in the third quarter of 2023, no impairment charges were recorded in the other
14 interim financial statements in 2023 or in the 2022 financial statements. The
15 Company disclosed, as a result, it would have to restate certain finances and such
16 restatements would increase the Company's overall net loss and loss per share in the
17 impacted periods. The Company additionally disclosed that the Company
18 anticipated a review would reveal one or more additional material weaknesses in the
19 Company's internal control over financial reporting, in addition to the Company's
20 previously identified and reported material weaknesses. The Company further
21 disclosed that, as a result, it would not timely file its Annual Report for the year
22 ended December 31, 2023. Finally, the Company disclosed the restatement and
23 related items could have an adverse effect upon the Company's debt, as the
24 Company would now have to seek waivers of noncompliance under the terms of its
25 debt resulting from the accounting errors.

26 55. Specifically, on that date the Company filed a form 8-K with the SEC,
27 reporting a "Non-Reliance on Previously Issued Financial Statements" which stated
28 in relevant part:

1 On March 14, 2024, the Audit Committee (the “Audit Committee”) of
2 the Board of Directors of the Company determined, based on
3 management’s recommendation, that the Company’s audited
4 consolidated financial statements for the year ended December 31,
5 2022 (the “2022 Annual Financial Statements”), and the unaudited
6 condensed consolidated financial statements included in each of the
7 Company’s quarterly reports on Form 10-Q filed with the Securities
8 and Exchange Commission (the “SEC”) in 2023 (collectively with the
9 2022 Annual Financial Statements, the “Affected Financial
10 Statements”), should no longer be relied upon due to accounting errors
11 related to the valuation and impairment of operating lease right of use
12 (“ROU”) assets and related items. In this report, the periods covered by
13 the Affected Financial Statements are referred to as the “Non-Reliance
14 Periods.”

15 Any previously issued or filed reports, earnings releases, and investor
16 presentations or other communications including or describing the
17 Affected Financial Statements and related financial information
18 covering the Non-Reliance Periods should no longer be relied upon.
19 Similarly, the report of the Company’s independent registered public
20 accounting firm accompanying the previously issued 2022 Annual
21 Financial Statements should no longer be relied upon.

22 The Company has previously identified and reported material
23 weaknesses in internal controls over financial reporting related to the
24 Company’s leases, control activities and control environment. During
25 the on-going preparation of the Company’s financial statements for the
26 fiscal year ended December 31, 2023, the Company’s management
27 identified specific errors in the processes and procedures surrounding
28 the Company’s assessment of the valuation and impairment of its ROU
lease assets and related items. Upon additional review, the Company’s
management determined that the valuation of certain ROU lease assets
and related items as of and for each of the Non-Reliance Periods had
not considered certain relevant impairment indicators and related
valuation information impacting the carrying value of such assets and
related items, as required by Accounting Standards Codification (ASC)
Nos. 842, *Leases*, and 360, *Property, Plant, and Equipment*, in addition
to related standards and interpretations.

29 The Company previously recorded an impairment charge in the amount
30 of \$1.1 million related to ROU lease assets in its unaudited condensed
31 consolidated financial statements for the three and nine months ended
32 September 30, 2023, but no impairment charges were recorded in the
33 other interim financial statements in the Non-Reliance Periods or in the
34 2022 Annual Financial Statements. Based on the Company’s review,
35 which is ongoing, the Company expects to record material non-cash
36 impairment charges, and related reductions in ROU lease assets and
37 related items, in certain of the Non-Reliance Periods.

38 The foregoing ROU lease asset and related item errors are non-cash in
39 nature and will not impact the Company’s reported cash balances or
40 statements of cash flows for the Non-Reliance Periods. The Company
41 expects that the restatements will increase the Company’s overall net
42 loss and loss per share in the impacted periods.

1 The Company intends to restate the Affected Financial Statements to
2 correct the errors discussed above, and consider any other error
3 corrections identified in the course of its review, as soon as practicable.
Investors and others should rely on

4 financial information and other disclosures regarding the Non-Reliance
5 Periods only after the Company restates its financial statements for the
Non-Reliance Periods.

6 The Company anticipates that it will not timely file its Annual Report
7 on Form 10-K for the fiscal year ended December 31, 2023 (the "FY
8 2023 10-K") and will file a notification of late filing on Form 12b-25
9 with the SEC. The Company does not currently expect that it will file
10 the FY 2023 10-K within the 15-day extension period contemplated by
11 Rule 12b-25(b) under the Securities Exchange Act of 1934, as
amended. Accordingly, the Company expects to receive a notice from
The Nasdaq Stock Market that it is not in compliance with the timely
filing requirement for continued listing under Nasdaq Listing Rule
5250(c)(1). Such notification letter is not expected to have an
immediate effect on the listing or trading of the Company's common
stock or publicly traded warrants on the Nasdaq Global Select Market.

12 The description of the accounting errors and anticipated restatements
13 above is preliminary and subject to change in connection with the
14 Company's ongoing review and the completion of the restatements.
15 Accordingly, there can be no assurance as to the actual effects of the
restatements or that the Company will not determine to restate any
financial statements other than the Affected Financial Statements or
will not identify any additional accounting errors.

16 The Company's management also is assessing the effect of the matters
17 identified to date on the Company's internal control over financial
18 reporting and its disclosure controls and procedures. Although the
19 assessment is not yet complete, the Company anticipates that the
20 review will result in one or more material weaknesses in the
Company's internal control over financial reporting during the
applicable periods, in addition to the Company's previously identified
and reported material weaknesses.

21 The Company's management and the Audit Committee have discussed
22 the foregoing matters with the Company's independent registered
public accounting firm, Deloitte & Touche LLP.

23 The Company's restatement and the related items discussed in this
24 Form 8-K could have an adverse effect upon the Company's debt,
25 including under the Loan and Security Agreement dated as of
26 December 21, 2022, as amended, with Silicon Valley Bank, a division
27 of First Citizens Bank & Trust Company, and the Note and Warrant
28 Purchase Agreement dated as of December 10, 2021, as amended, with
certain private placement investors. The Company is engaging in
discussions with its lenders to seek waivers of any noncompliance
under the terms of its debt resulting from the accounting errors and to
permit the late filing of the FY 2023 10-K. If such waivers are not
obtained, any such noncompliance may entitle our lenders to terminate
any existing commitments to lend, impose increased interest rates,

1 accelerate our outstanding debt obligations, initiate foreclosure
 2 proceedings against any assets constituting collateral for such
 3 obligations and exercise other rights and remedies available under the
 4 terms of our debt agreements. If our debt were to be accelerated, the
 5 Company may not have sufficient cash or be able to borrow sufficient
 6 funds to refinance the debt or sell sufficient assets to repay the debt,
 which could immediately adversely affect our business, cash flows,
 results of operations and financial condition. Even if we were able to
 obtain new financing or negotiate amended terms with our existing
 lenders, such financing or amendments may not be on commercially
 reasonable terms or on terms that are acceptable to us.

7 As of December 31, 2023, the Company's total cash, cash equivalents
 8 and restricted cash was \$136.5 million, of which \$40.7 million was
 9 restricted, as compared to \$207.2 million, of which \$41.2 million was
 10 restricted, as of September 30, 2023. As communicated in prior
 11 disclosures, the Company has been executing on a number of initiatives
 12 to improve its financial position, including reducing its corporate
 13 headcount by 38% since the first quarter of 2022, and engaging in a
 14 portfolio optimization program to improve the financial performance of
 the properties it operates. The Company is also exploring a number of
 additional opportunities to improve revenue by enhancing its
 distribution arrangements, further reduce its expenditures, and partner
 with current or alternative capital providers to improve its liquidity
 position, but can give no assurances that these alternatives will be
 successful. If these alternatives are not successful, the Company may
 not be able to continue ongoing operations or meet its obligations
 without favorable liquidity options or additional funding.

15 56. On this news, Sonder's stock price fell \$2.10 per share, or 38.2%, to
 16 close at \$3.40 per share on March 18, 2024, on unusually heavy trading volume.

17 **CLASS ACTION ALLEGATIONS**

18 57. Plaintiff brings this action as a class action pursuant to Federal Rule of
 19 Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and
 20 entities that purchased or otherwise acquired Sonder securities between May 11,
 21 2022 and March 15, 2024, inclusive, and who were damaged thereby (the "Class").
 22 Excluded from the Class are Defendants, the officers and directors of the Company,
 23 at all relevant times, members of their immediate families and their legal
 24 representatives, heirs, successors, or assigns, and any entity in which Defendants
 25 have or had a controlling interest.

26 58. The members of the Class are so numerous that joinder of all members
 27 is impracticable. Throughout the Class Period, Sonder's shares actively traded on
 28

1 the NASDAQ. While the exact number of Class members is unknown to Plaintiff at
2 this time and can only be ascertained through appropriate discovery, Plaintiff
3 believes that there are at least hundreds or thousands of members in the proposed
4 Class. Millions of Sonder shares were traded publicly during the Class Period on
5 the NASDAQ. Record owners and other members of the Class may be identified
6 from records maintained by Sonder or its transfer agent and may be notified of the
7 pendency of this action by mail, using the form of notice similar to that customarily
8 used in securities class actions.

9 59. Plaintiff's claims are typical of the claims of the members of the Class
10 as all members of the Class are similarly affected by Defendants' wrongful conduct
11 in violation of federal law that is complained of herein.

12 60. Plaintiff will fairly and adequately protect the interests of the members
13 of the Class and has retained counsel competent and experienced in class and
14 securities litigation.

15 61. Common questions of law and fact exist as to all members of the Class
16 and predominate over any questions solely affecting individual members of the
17 Class. Among the questions of law and fact common to the Class are:

18 (a) whether the federal securities laws were violated by Defendants'
19 acts as alleged herein;

20 (b) whether statements made by Defendants to the investing public
21 during the Class Period omitted and/or misrepresented material facts about the
22 business, operations, and prospects of Sonder; and

23 (c) to what extent the members of the Class have sustained damages
24 and the proper measure of damages.

25 62. A class action is superior to all other available methods for the fair and
26 efficient adjudication of this controversy since joinder of all members is
27 impracticable. Furthermore, as the damages suffered by individual Class members
28 may be relatively small, the expense and burden of individual litigation makes it

1 impossible for members of the Class to individually redress the wrongs done to
2 them. There will be no difficulty in the management of this action as a class action.

3 **UNDISCLOSED ADVERSE FACTS**

4 63. The market for Sonder's securities was open, well-developed and
5 efficient at all relevant times. As a result of these materially false and/or misleading
6 statements, and/or failures to disclose, Sonder's securities traded at artificially
7 inflated prices during the Class Period. Plaintiff and other members of the Class
8 purchased or otherwise acquired Sonder's securities relying upon the integrity of the
9 market price of the Company's securities and market information relating to Sonder,
10 and have been damaged thereby.

11 64. During the Class Period, Defendants materially misled the investing
12 public, thereby inflating the price of Sonder's securities, by publicly issuing false
13 and/or misleading statements and/or omitting to disclose material facts necessary to
14 make Defendants' statements, as set forth herein, not false and/or misleading. The
15 statements and omissions were materially false and/or misleading because they
16 failed to disclose material adverse information and/or misrepresented the truth about
17 Sonder's business, operations, and prospects as alleged herein.

18 65. At all relevant times, the material misrepresentations and omissions
19 particularized in this Complaint directly or proximately caused or were a substantial
20 contributing cause of the damages sustained by Plaintiff and other members of the
21 Class. As described herein, during the Class Period, Defendants made or caused to
22 be made a series of materially false and/or misleading statements about Sonder's
23 financial well-being and prospects. These material misstatements and/or omissions
24 had the cause and effect of creating in the market an unrealistically positive
25 assessment of the Company and its financial well-being and prospects, thus causing
26 the Company's securities to be overvalued and artificially inflated at all relevant
27 times. Defendants' materially false and/or misleading statements during the Class
28 Period resulted in Plaintiff and other members of the Class purchasing the

1 Company's securities at artificially inflated prices, thus causing the damages
2 complained of herein when the truth was revealed.

3 **LOSS CAUSATION**

4 66. Defendants' wrongful conduct, as alleged herein, directly and
5 proximately caused the economic loss suffered by Plaintiff and the Class.

6 67. During the Class Period, Plaintiff and the Class purchased Sonder's
7 securities at artificially inflated prices and were damaged thereby. The price of the
8 Company's securities significantly declined when the misrepresentations made to
9 the market, and/or the information alleged herein to have been concealed from the
10 market, and/or the effects thereof, were revealed, causing investors' losses.

11 **SCIENTER ALLEGATIONS**

12 68. As alleged herein, Defendants acted with scienter since Defendants
13 knew that the public documents and statements issued or disseminated in the name
14 of the Company were materially false and/or misleading; knew that such statements
15 or documents would be issued or disseminated to the investing public; and
16 knowingly and substantially participated or acquiesced in the issuance or
17 dissemination of such statements or documents as primary violations of the federal
18 securities laws. As set forth elsewhere herein in detail, the Individual Defendants,
19 by virtue of their receipt of information reflecting the true facts regarding Sonder,
20 their control over, and/or receipt and/or modification of Sonder's allegedly
21 materially misleading misstatements and/or their associations with the Company
22 which made them privy to confidential proprietary information concerning Sonder,
23 participated in the fraudulent scheme alleged herein.

24 **APPLICABILITY OF PRESUMPTION OF RELIANCE**

25 **(FRAUD-ON-THE-MARKET DOCTRINE)**

26 69. The market for Sonder's securities was open, well-developed and
27 efficient at all relevant times. As a result of the materially false and/or misleading
28 statements and/or failures to disclose, Sonder's securities traded at artificially

1 inflated prices during the Class Period. On August 16, 2022, the Company's stock
2 price closed at a Class Period high of \$51.00 per share. Plaintiff and other members
3 of the Class purchased or otherwise acquired the Company's securities relying upon
4 the integrity of the market price of Sonder's securities and market information
5 relating to Sonder, and have been damaged thereby.

6 70. During the Class Period, the artificial inflation of Sonder's shares was
7 caused by the material misrepresentations and/or omissions particularized in this
8 Complaint causing the damages sustained by Plaintiff and other members of the
9 Class. As described herein, during the Class Period, Defendants made or caused to
10 be made a series of materially false and/or misleading statements about Sonder's
11 business, prospects, and operations. These material misstatements and/or omissions
12 created an unrealistically positive assessment of Sonder and its business, operations,
13 and prospects, thus causing the price of the Company's securities to be artificially
14 inflated at all relevant times, and when disclosed, negatively affected the value of
15 the Company shares. Defendants' materially false and/or misleading statements
16 during the Class Period resulted in Plaintiff and other members of the Class
17 purchasing the Company's securities at such artificially inflated prices, and each of
18 them has been damaged as a result.

19 71. At all relevant times, the market for Sonder's securities was an efficient
20 market for the following reasons, among others:

21 (a) Sonder shares met the requirements for listing, and was listed
22 and actively traded on the NASDAQ, a highly efficient and automated market;

23 (b) As a regulated issuer, Sonder filed periodic public reports with
24 the SEC and/or the NASDAQ;

25 (c) Sonder regularly communicated with public investors via
26 established market communication mechanisms, including through regular
27 dissemination of press releases on the national circuits of major newswire services
28

1 and through other wide-ranging public disclosures, such as communications with the
2 financial press and other similar reporting services; and/or

3 (d) Sonder was followed by securities analysts employed by
4 brokerage firms who wrote reports about the Company, and these reports were
5 distributed to the sales force and certain customers of their respective brokerage
6 firms. Each of these reports was publicly available and entered the public
7 marketplace.

8 72. As a result of the foregoing, the market for Sonder's securities
9 promptly digested current information regarding Sonder from all publicly available
10 sources and reflected such information in Sonder's share price. Under these
11 circumstances, all purchasers of Sonder's securities during the Class Period suffered
12 similar injury through their purchase of Sonder's securities at artificially inflated
13 prices and a presumption of reliance applies.

14 73. A Class-wide presumption of reliance is also appropriate in this action
15 under the Supreme Court's holding in *Affiliated Ute Citizens of Utah v. United*
16 *States*, 406 U.S. 128 (1972), because the Class's claims are, in large part, grounded
17 on Defendants' material misstatements and/or omissions. Because this action
18 involves Defendants' failure to disclose material adverse information regarding the
19 Company's business operations and financial prospects—information that
20 Defendants were obligated to disclose—positive proof of reliance is not a
21 prerequisite to recovery. All that is necessary is that the facts withheld be material
22 in the sense that a reasonable investor might have considered them important in
23 making investment decisions. Given the importance of the Class Period material
24 misstatements and omissions set forth above, that requirement is satisfied here.

25 **NO SAFE HARBOR**

26 74. The statutory safe harbor provided for forward-looking statements
27 under certain circumstances does not apply to any of the allegedly false statements
28 pleaded in this Complaint. The statements alleged to be false and misleading herein

1 all relate to then-existing facts and conditions. In addition, to the extent certain of
 2 the statements alleged to be false may be characterized as forward looking, they
 3 were not identified as “forward-looking statements” when made and there were no
 4 meaningful cautionary statements identifying important factors that could cause
 5 actual results to differ materially from those in the purportedly forward-looking
 6 statements. In the alternative, to the extent that the statutory safe harbor is
 7 determined to apply to any forward-looking statements pleaded herein, Defendants
 8 are liable for those false forward-looking statements because at the time each of
 9 those forward-looking statements was made, the speaker had actual knowledge that
 10 the forward-looking statement was materially false or misleading, and/or the
 11 forward-looking statement was authorized or approved by an executive officer of
 12 Sonder who knew that the statement was false when made.

13 **FIRST CLAIM**

14 **Violation of Section 10(b) of The Exchange Act and**

15 **Rule 10b-5 Promulgated Thereunder**

16 **Against All Defendants**

17 75. Plaintiff repeats and re-alleges each and every allegation contained
 18 above as if fully set forth herein.

19 76. During the Class Period, Defendants carried out a plan, scheme and
 20 course of conduct which was intended to and, throughout the Class Period, did: (i)
 21 deceive the investing public, including Plaintiff and other Class members, as alleged
 22 herein; and (ii) cause Plaintiff and other members of the Class to purchase Sonder’s
 23 securities at artificially inflated prices. In furtherance of this unlawful scheme, plan
 24 and course of conduct, Defendants, and each defendant, took the actions set forth
 25 herein.

26 77. Defendants (i) employed devices, schemes, and artifices to defraud; (ii)
 27 made untrue statements of material fact and/or omitted to state material facts
 28 necessary to make the statements not misleading; and (iii) engaged in acts, practices,

1 and a course of business which operated as a fraud and deceit upon the purchasers of
2 the Company's securities in an effort to maintain artificially high market prices for
3 Sonder's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-
4 5. All Defendants are sued either as primary participants in the wrongful and illegal
5 conduct charged herein or as controlling persons as alleged below.

6 78. Defendants, individually and in concert, directly and indirectly, by the
7 use, means or instrumentalities of interstate commerce and/or of the mails, engaged
8 and participated in a continuous course of conduct to conceal adverse material
9 information about Sonder's financial well-being and prospects, as specified herein.

10 79. Defendants employed devices, schemes and artifices to defraud, while
11 in possession of material adverse non-public information and engaged in acts,
12 practices, and a course of conduct as alleged herein in an effort to assure investors of
13 Sonder's value and performance and continued substantial growth, which included
14 the making of, or the participation in the making of, untrue statements of material
15 facts and/or omitting to state material facts necessary in order to make the
16 statements made about Sonder and its business operations and future prospects in
17 light of the circumstances under which they were made, not misleading, as set forth
18 more particularly herein, and engaged in transactions, practices and a course of
19 business which operated as a fraud and deceit upon the purchasers of the Company's
20 securities during the Class Period.

21 80. Each of the Individual Defendants' primary liability and controlling
22 person liability arises from the following facts: (i) the Individual Defendants were
23 high-level executives and/or directors at the Company during the Class Period and
24 members of the Company's management team or had control thereof; (ii) each of
25 these defendants, by virtue of their responsibilities and activities as a senior officer
26 and/or director of the Company, was privy to and participated in the creation,
27 development and reporting of the Company's internal budgets, plans, projections
28 and/or reports; (iii) each of these defendants enjoyed significant personal contact

1 and familiarity with the other defendants and was advised of, and had access to,
2 other members of the Company's management team, internal reports and other data
3 and information about the Company's finances, operations, and sales at all relevant
4 times; and (iv) each of these defendants was aware of the Company's dissemination
5 of information to the investing public which they knew and/or recklessly
6 disregarded was materially false and misleading.

7 81. Defendants had actual knowledge of the misrepresentations and/or
8 omissions of material facts set forth herein, or acted with reckless disregard for the
9 truth in that they failed to ascertain and to disclose such facts, even though such
10 facts were available to them. Such defendants' material misrepresentations and/or
11 omissions were done knowingly or recklessly and for the purpose and effect of
12 concealing Sonder's financial well-being and prospects from the investing public
13 and supporting the artificially inflated price of its securities. As demonstrated by
14 Defendants' overstatements and/or misstatements of the Company's business,
15 operations, financial well-being, and prospects throughout the Class Period,
16 Defendants, if they did not have actual knowledge of the misrepresentations and/or
17 omissions alleged, were reckless in failing to obtain such knowledge by deliberately
18 refraining from taking those steps necessary to discover whether those statements
19 were false or misleading.

20 82. As a result of the dissemination of the materially false and/or
21 misleading information and/or failure to disclose material facts, as set forth above,
22 the market price of Sonder's securities was artificially inflated during the Class
23 Period. In ignorance of the fact that market prices of the Company's securities were
24 artificially inflated, and relying directly or indirectly on the false and misleading
25 statements made by Defendants, or upon the integrity of the market in which the
26 securities trades, and/or in the absence of material adverse information that was
27 known to or recklessly disregarded by Defendants, but not disclosed in public
28 statements by Defendants during the Class Period, Plaintiff and the other members

1 of the Class acquired Sonder's securities during the Class Period at artificially high
2 prices and were damaged thereby.

3 83. At the time of said misrepresentations and/or omissions, Plaintiff and
4 other members of the Class were ignorant of their falsity, and believed them to be
5 true. Had Plaintiff and the other members of the Class and the marketplace known
6 the truth regarding the problems that Sonder was experiencing, which were not
7 disclosed by Defendants, Plaintiff and other members of the Class would not have
8 purchased or otherwise acquired their Sonder securities, or, if they had acquired
9 such securities during the Class Period, they would not have done so at the
10 artificially inflated prices which they paid.

11 84. By virtue of the foregoing, Defendants violated Section 10(b) of the
12 Exchange Act and Rule 10b-5 promulgated thereunder.

13 85. As a direct and proximate result of Defendants' wrongful conduct,
14 Plaintiff and the other members of the Class suffered damages in connection with
15 their respective purchases and sales of the Company's securities during the Class
16 Period.

17 **SECOND CLAIM**

18 **Violation of Section 20(a) of The Exchange Act**

19 **Against the Individual Defendants**

20 86. Plaintiff repeats and re-alleges each and every allegation contained
21 above as if fully set forth herein.

22 87. Individual Defendants acted as controlling persons of Sonder within the
23 meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their
24 high-level positions and their ownership and contractual rights, participation in,
25 and/or awareness of the Company's operations and intimate knowledge of the false
26 financial statements filed by the Company with the SEC and disseminated to the
27 investing public, Individual Defendants had the power to influence and control and
28 did influence and control, directly or indirectly, the decision-making of the

1 Company, including the content and dissemination of the various statements which
2 Plaintiff contends are false and misleading. Individual Defendants were provided
3 with or had unlimited access to copies of the Company's reports, press releases,
4 public filings, and other statements alleged by Plaintiff to be misleading prior to
5 and/or shortly after these statements were issued and had the ability to prevent the
6 issuance of the statements or cause the statements to be corrected.

7 88. In particular, Individual Defendants had direct and supervisory
8 involvement in the day-to-day operations of the Company and, therefore, had the
9 power to control or influence the particular transactions giving rise to the securities
10 violations as alleged herein, and exercised the same.

11 89. As set forth above, Sonder and Individual Defendants each violated
12 Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this
13 Complaint. By virtue of their position as controlling persons, Individual Defendants
14 are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate
15 result of Defendants' wrongful conduct, Plaintiff and other members of the Class
16 suffered damages in connection with their purchases of the Company's securities
17 during the Class Period.

18 **PRAYER FOR RELIEF**

19 WHEREFORE, Plaintiff prays for relief and judgment, as follows:

20 (a) Determining that this action is a proper class action under Rule 23 of
21 the Federal Rules of Civil Procedure;

22 (b) Awarding compensatory damages in favor of Plaintiff and the other
23 Class members against all defendants, jointly and severally, for all damages
24 sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial,
25 including interest thereon;

26 (c) Awarding Plaintiff and the Class their reasonable costs and expenses
27 incurred in this action, including counsel fees and expert fees; and

28 (d) Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

DATED: June 7, 2024

GLANCY PRONGAY & MURRAY LLP

By: /s/ Charles H. Linehan

Robert V. Prongay

Charles H. Linehan

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Attorneys for Plaintiff Tad Park

**SWORN CERTIFICATION OF PLAINTIFF
SONDER HOLDINGS INC. (SOND) SECURITIES LITIGATION**

I, Tad Park, certify that:

1. I have reviewed the Complaint, adopt its allegations, and authorize its filing and/or the filing of a lead plaintiff motion on my behalf.
2. I did not purchase the Sonder Holdings Inc. securities that are the subject of this action at the direction of plaintiff's counsel or in order to participate in any private action arising under this title.
3. I am willing to serve as a representative party on behalf of a class and will testify at deposition and trial, if necessary.
4. My transactions in Sonder Holdings Inc. securities during the period set forth in the Complaint are as follows:

(See attached transactions)
5. I have not sought to serve, nor served, as a representative party on behalf of a class under this title during the last three years, except for the following:
6. I will not accept any payment for serving as a representative party, except to receive my pro rata share of any recovery or as ordered or approved by the court, including the award to a representative plaintiff of reasonable costs and expenses (including lost wages) directly relating to the representation of the class.

I declare under penalty of perjury that the foregoing are true and correct statements.

6/6/2024

Date

Tad Park

Tad Park

Tad Park's Transactions in Sonder Holdings Inc. (SOND)

Account 1 Common Stock			
Date	Transaction Type	Quantity	Unit Price
6/9/2022	Bought	4,599	\$1.7650
6/9/2022	Bought	28,135	\$1.7700
6/13/2022	Bought	50,000	\$1.7000
7/11/2022	Bought	3,045	\$0.9300
7/12/2022	Bought	11,246	\$0.9300
7/13/2022	Bought	65,709	\$0.9300
8/3/2022	Bought	130,000	\$1.6700

Account 2 Common Stock			
Date	Transaction Type	Quantity	Unit Price
6/2/2022	Bought	1,100	\$2.5600
6/2/2022	Bought	28,900	\$2.5700
8/11/2022	Bought	86,805	\$2.4300
8/11/2022	Bought	1,000	\$2.4200
8/11/2022	Bought	1,083	\$2.4000

Account 2 Warrants			
Date	Transaction Type	Quantity	Unit Price
6/2/2022	Sold	-37,494	\$0.4300
7/31/2023	Bought	79,964	\$0.0360
8/3/2023	Bought	2,819	\$0.0360
8/7/2023	Bought	5,300	\$0.0360
8/9/2023	Bought	100	\$0.0360
8/11/2023	Bought	14,800	\$0.0360
8/14/2023	Bought	28	\$0.0360
9/13/2023	Bought	396,989	\$0.0360

Account 3 Common Stock			
Date	Transaction Type	Quantity	Unit Price
5/19/2022	Bought	2,600	\$1.7896
6/2/2022	Bought	100	\$2.6150
6/2/2022	Bought	49,900	\$2.6200
6/9/2022	Bought	4,400	\$1.7750
6/9/2022	Bought	8,849	\$1.7800
7/14/2022	Bought	100,000	\$0.9100
8/10/2022	Bought	2	\$2.1900
8/11/2022	Bought	5,685	\$2.5100
8/11/2022	Bought	433	\$2.5300
8/11/2022	Bought	39,734	\$2.5200
8/11/2022	Bought	100	\$2.4250
8/11/2022	Bought	45,602	\$2.4350

Date	Transaction Type	Quantity	Unit Price
8/11/2022	Bought	1,488	\$2.5000
8/11/2022	Bought	3,500	\$2.4450
8/11/2022	Bought	5,200	\$2.4200
8/11/2022	Bought	382,632	\$2.5400
8/11/2022	Bought	900	\$2.4900
8/11/2022	Bought	2,200	\$2.4800
8/11/2022	Bought	100	\$2.4499
8/11/2022	Bought	3,100	\$2.4700
8/11/2022	Bought	4,100	\$2.4600
8/11/2022	Bought	11,804	\$2.4500
8/11/2022	Bought	24,337	\$2.4400
8/11/2022	Bought	31,485	\$2.4300
8/11/2022	Bought	6,455	\$2.4000
8/11/2022	Bought	1,145	\$2.4100
11/9/2022	Sold	-20,366	\$2.0200
11/16/2022	Sold	-300	\$1.8700
12/30/2022	Sold	-146,456	\$1.0800
12/30/2022	Sold	-600	\$1.0850
12/30/2022	Sold	-12,330	\$1.0900
12/30/2022	Sold	-20,677	\$1.1000
12/30/2022	Sold	-7	\$1.1150
12/30/2022	Sold	-4,930	\$1.1100
3/1/2023	Bought	94,300	\$1.0200
3/1/2023	Bought	5,700	\$1.0150

Account 3 Warrants

Date	Transaction Type	Quantity	Unit Price
5/12/2022	Sold	-25,351	\$0.2700
5/12/2022	Sold	-100	\$0.2715
5/12/2022	Sold	-2,200	\$0.2800
5/12/2022	Sold	-100	\$0.2682
5/12/2022	Sold	-399,500	\$0.2600
5/12/2022	Sold	-400	\$0.2800
6/1/2022	Bought	207	\$0.4050
6/1/2022	Bought	364	\$0.4051
6/1/2022	Bought	300	\$0.3951
6/1/2022	Bought	129	\$0.3851
6/2/2022	Bought	37,294	\$0.4300
6/2/2022	Bought	100	\$0.4223
6/2/2022	Bought	300	\$0.4098
6/2/2022	Bought	100	\$0.4082
6/2/2022	Bought	1,780	\$0.4100
6/2/2022	Bought	100	\$0.4009
6/2/2022	Bought	400,326	\$0.3600
7/14/2022	Sold	-449	\$0.1600
7/14/2022	Sold	-100	\$0.1600
7/27/2022	Sold	-436,441	\$0.1700

Date	Transaction Type	Quantity	Unit Price
7/27/2022	Sold	-3,000	\$0.1750
7/27/2022	Sold	-1,000	\$0.1701
7/27/2022	Sold	-10	\$0.1850

Account 3 Options

Date	Transaction Type	Contract Type	Exp / Strike	Quantity	Price
2/7/2022	Bought To Open	Call	Sep 16, 2022 / \$12.50	40	\$0.95
3/9/2022	Bought To Open	Call	Sep 16, 2022 / \$10	400	\$0.30
9/19/2022	Expired	Call	Sep 16, 2022 / \$12.50	-40	\$0.00
9/19/2022	Expired	Call	Sep 16, 2022 / \$10	-400	\$0.00